

M/023/004

ASH GROVE CEMENT COMPANY

P. O. Box 51
Nephi, Utah 84648
(435) 857-1200

March 7, 2003

Doug Jensen
State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Jensen:

Please be advised that Ash Grove Cement has been working with EarthFax to renew our permit so that the Hank Allen mine site maps covert the future expansion to a current mine site. We also plan to fly the mine site and update the topo maps in the first part of April soon after this we plan to submit this permit modification which should be in mid April. I received letter from the DOGM on February 24, 2006 that quote that Ash Groves Hank Allen mine permit is due for a five-year review of reclamation surety estimate. We has been working with EarthFax engineering and Aero-graphics to commence the South-West future expansion to a current mine area. For detail dates and additional information I have print and include a scope of work detail in this letter.

If you have any questions, please do not hesitate to call me at (435) 857-1208.

Respectfully,

Joshua B. Nelson
Assistant Plant Engineer

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DIV. OF OIL, GAS & MINING

Hank Allen Mine

South West Expansion Project

Introduction:

This year 2006 the decision has been made that while a renewal of the Hank Allen mine plan needs to be made, we should also include converting the South West Future expansion area of the mine into current mining area. For this project we have worked with EarthFax Engineering Company from SLC to work with us and the DOGM to re-organize, renewal, and re-draw the information in the current plan to include the South West Expansion.

Project Outline:

12/13/2005	Contacted EarthFax
12/15/2005	Meeting with EarthFax {Project Overlook, Detail}
12/27/2005	Scope of work received from EarthFax
1/16/2006	Cost Estimate received from EarthFax
1/17/2006	Cost Break Down
1/17/2006	Visited with Both Duane and Ron; okay to proceed
1/17/2006	Constructed PO #LE-12729; total \$16,500
1/18/2006	Gave permission to EarthFax to proceed
1/26/2006	High wall Study, {Suggested that high wall study only completed on South West Expansion Area.}
3/6/2006	Find and contact a firm capable of high-wall studies
3/20/2006	New Drawing Approval
3/27/2006	Mine Plan Review
4/13/2006	Meet with DOGM
4/31/2006	Projected completion date

Note:

--EarthFax will progressive invoice us as the complete stages of the scope of work.

--All information keep at location: *K:\Engineering\Projects\Mining\Hank Allen Limestone\Mine Plan\SouthWest Exp.- Renewal 2006*

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December 23, 2005



EarthFax

EarthFax

Engineering, Inc.

Engineers/Scientists

7324 So. Union Park Ave.

Suite 100

Midvale, Utah 84047

Phone 801-561-1555

Fax 801-561-1861

www.earthfax.com

Mr. Joshua Nelson
Ash Grove Cement Company
P.O. Box 51
Nephi, UT 84648

Re: Scope of Work for Permit Modifications

Dear Joshua:

As per your request I have prepared a scope of work for the permit modifications. I have read through the current permit and have identified the following scope of work:

1. Meet with the Division of Oil, Gas and Mining to discuss the best strategy for adding the Southwest Pit to the permit and to discuss what changes they may want related to permit renewal;
2. Design the ultimate pit, including the southwest pit. Due to information required in the permit I will need to be able to identify the volume of shale and limestone to be mined in addition to defining the ultimate pit configuration. I will prepare the design in AutoCad 2006 using the highwall slope and bench widths defined in the permit;
3. Verify that the permitted waste rock disposal area can handle the added waste rock from the addition of the southwest area;
4. Adjust reclamation channel designs to reflect the addition of the Southwest Pit;
5. Update the bond calculation to include the Southwest Pit and adjust the unit costs to comply with 2006 data;
6. Modify permit maps and figures to show the latest aerial topography and the addition of the Southwest Pit. This will involve major changes to nearly every map and figure in the permit;
7. Modify permit text and tables to reflect the addition of the Southwest Pit;
8. Prepare copies for submittal to the Division of Oil, Gas, and Mining; and
9. Interact with the Division of Oil, Gas and Mining to facilitate approval of the permit modification.

In reviewing the permit I identified an issue that must be addressed. The permit states that the updated Highwall Stability Evaluation will be shared with the Division. Did this occur? The copy of the permit you gave me only has the November 1997 report and not the September 2001 report. If the 2001 report has not been shared with the Division we will need to determine how to present the 2001 report without changing the maximum slopes and bench widths already in the permit since Seegmiller recommends wider safety benches than are described in the permit.

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MAR 13 2006

DIV. OF OIL, GAS & MINING

We had discussed that I would put together a cost estimate and timeframe for the completion of the project. I would like to set up a meeting with the Division of Oil, Gas and Mining in early January to discuss permit renewal and the addition of the Southwest Pit before I prepare a cost estimate and timeframe for completion. It is difficult to know what the Division of Oil, Gas and Mining will require for permit renewal or if they will expect any changes. I will prepare a cost estimate and timeframe immediately after meeting with the Division. I can set up the meeting when I return to work on January 3, 2006 or you can set it up for any time in early January that is convenient for you. My schedule is currently pretty flexible in January so I should be able to attend whenever it is convenient for you.

I am grateful for the opportunity to continue working with you. Please call if you have any questions or concerns regarding this cost estimate.

Sincerely,

Layne Jensen, P.E.
Project Manager
EarthFax Engineering



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 24, 2006

CERTIFIED RETURN RECEIPT
7002 0510 0003 8603 2366

Ash Grove Cement Company
Mr. Duane Crutchfield
P.O. Box 51
Nephi, Utah 84648

Subject: Five-Year Review of Reclamation Surety Estimate, Ash Grove Cement Company, Lemington Mine, M/023/004, Juab County, Utah

Dear Mr. Crutchfield:

The Division conducts the periodic review of reclamation surety estimates to verify accuracy, make adjustments for escalation, and account for any site modifications that could result in a change of the surety amount.

The reclamation surety for Ash Grove Cement Company's Lemington Mine is due for review as of 2006. To assist us in this review, we request **two copies** of an updated map of your site showing current surface facilities and disturbances. Please provide the updated maps at a scale of not less than 1 inch = 200 feet, which may include: buildings, stationary mining/processing equipment, roads, utilities, power lines, drainage structures (i.e. berms, culverts, etc.), topsoil, ore and product storage areas, overburden/waste dumps, tailings or processed waste facilities, solid and liquid wastes, and wastewater discharge treatment and containment facilities, etc. These maps should include all areas which have been affected by this operation to date.

If any reclamation has been completed on the site since the last surety estimate review, complete form MR-Bond/-Release. This form is available on the Division web at www.dogm.utah.gov. Provide a separate map of the same scale as the site map, clearly identifying these reclaimed areas, the acreage affected, and the date of the reclamation. Please cross-hatch or shade the areas to identify the reclamation treatments (i.e. ripping, regrading, mulching, seeding, etc.) which have been applied.

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MAR 13 2006

DIV. OF OIL, GAS & MINING

Ash Gr Cement Company
Page 2 of 2
M/023/004
February 24, 2006

Please provide this information within the next 60 days or no later than April 17, 2006. If you are unable to meet this timeframe, contact the Division with justification for requesting additional time. Thank you for providing this information to assist us in our surety estimate review. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:dj:pb
Enclosure: Bond-Release form
cc: Doug Jensen, DOGM
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